



Maryland Health Benefit Exchange  
Operating Model and Insurance Rules  
Advisory Committee

*Meeting #2*

October 12, 2011

## Agenda

- Goal of Today's Meeting
- Review Exchange Goals from Previous Meeting
- Discuss Certification Approaches
- Introduce Market Context
- Continue Discussion of Goals and Criteria

## Goal of Today's Meeting

- Review goals discussed in previous meeting, prioritize goals (illustrative only), and review procurement options based on stated goals and order of priority
- Continue discussion from last meeting to refine list of goals and solicit feedback on order of priority and tradeoffs

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## Exchange Goals

Goals (per Comm. Mbrs)	Influenced by Certification Process		
	Yes		No
	Short Term	Long Term	
Stability		✓	
Enrollment	✓		
Delivery System Change		✓	
Manage Chronic Conditions		✓	
Enhanced Benefits			✓
Improving Access	✓		
Care Coordination / Consumer Experience			✓
Minimize Eligibility Churn	✓		
Administration of Subsidy			✓

## Prioritizing Exchange Goals

Exchange Goals	Level of Priority		
	Low	Moderate	High
Stability			✓
Enrollment			✓
Delivery System Change		✓	
Manage Chronic Conditions			✓
Improving Access			✓
Minimize Eligibility Churn		✓	

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## Certification Strategy

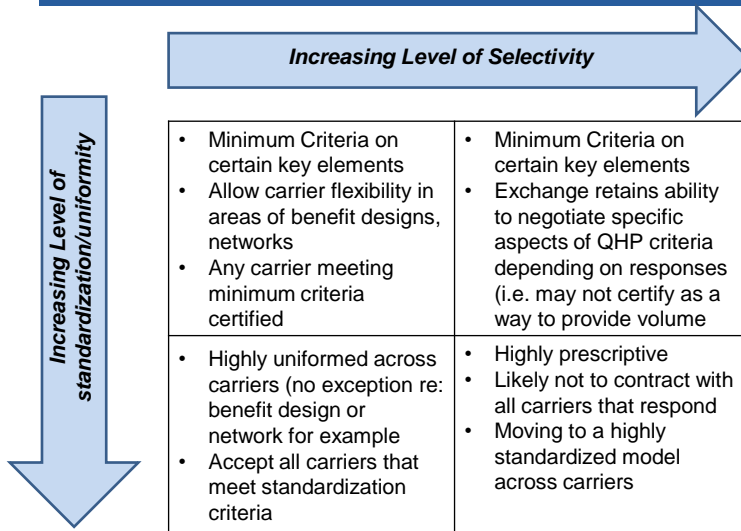
- Based on identified goals and the prioritization of such goals, the Exchange certification strategy could be articulated as follows:

*"Exchange is focused in the short run on growing the size of the exchange, but to do so in a manner that will ensure the stability of carrier/product offerings to its enrollees. In addition, the exchange would like to leverage the QHP certification process to increase physician access, especially for the non-group subsidized population, and minimize churn. Finally, the long-term strategic objective of the exchange is to work with its carrier partners to reform the delivery system in the State of Maryland."*



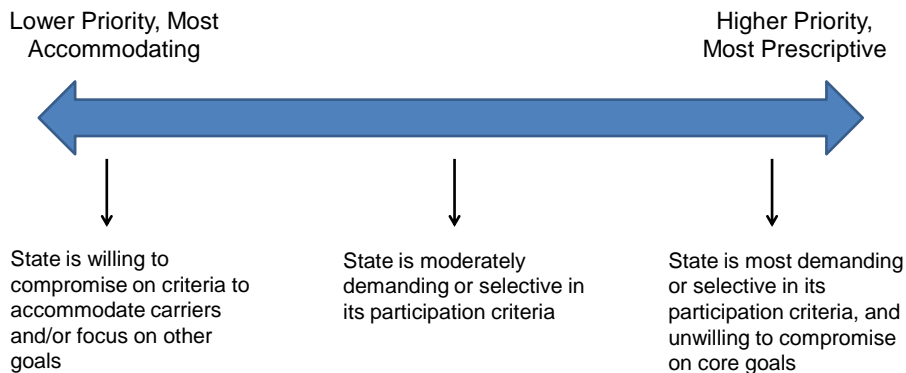
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## Certification Options (con't)

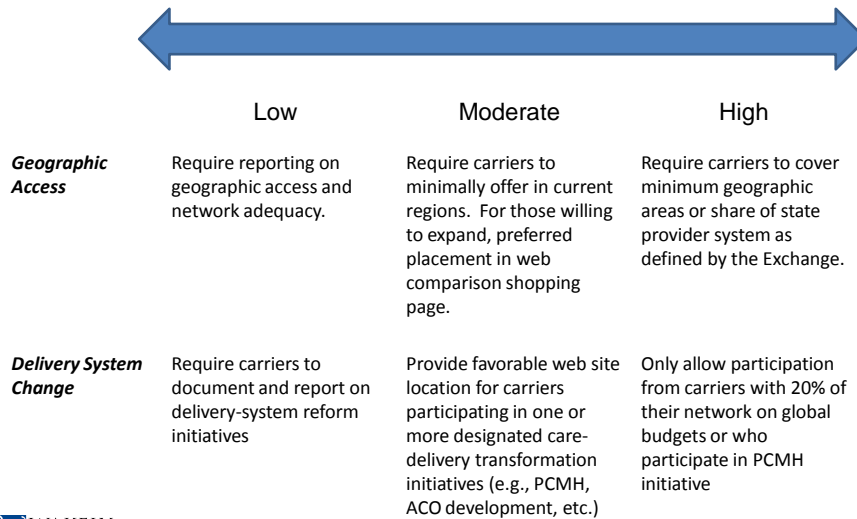


## Calibrating Selectivity for Each Goal

*The Exchange may adjust the level of selectivity and/or standardization it ascribes to any individual goal. This may be necessary to make trade-offs between goals based on the priorities it establishes for QHP certification.*



## Selectivity Continuum – Examples



## Prioritizing Exchange Goals - Example

Exchange Goals	Level of Priority/Selectivity		
	Low	Moderate	High
Enrollment Growth			✓
Stability / Attracting Carriers initially			✓
Access			✓
Delivery System Change		✓	
Reducing Churn		✓	

## Certification Approach Example

### ***Certification Approach #1: Exchange Starting Point***

Goal	Selectivity	Certification Criteria/Terms
1. Enrollment Growth	High	Seek to offer at least 6 carriers, including the top five in the market representing at least 90% of NG/SM market
2. Stability / Attracting Carriers initially	High	Contract for an initial term of 2-3 years, with an option held by the exchange to add additional carriers after year 2
3. Access	High	Require carriers to minimally offer in the same regions as currently. For those carriers, willing to expand, preferred placement in web comparison shopping page
4. Delivery System Change	Moderate	Carriers receive web placement advantage by pursuing one of several reform initiatives recognized by Exchange
5. Reducing Churn	Moderate	Carriers must participate in state-sponsored customer support training to help manage member transitions

## Certification Approach Example (Cont.)

### ***Certification Approach #2:***

***Carriers strongly object to access provisions. This jeopardizes carrier participation goals. In response, Exchange relaxes requirements for access to preserve desired level of carrier participation.***

Goal	Selectivity	Certification Criteria/Terms
1. Enrollment Growth	High	Seek to offer at least 6 carriers, including the top five in the market representing at least 90% of NG/SM market
2. Stability / Attracting Carriers initially	High	Contract for an initially term of 2-3 years, with an option held by the exchange to add add'l carriers after year 2
3. Access	Low	Carriers must provide reporting related to geographic access and network adequacy
4. Delivery System Change	Moderate	Carriers receive web placement advantage by pursuing one of several reform initiatives recognized by Exchange
5. Reducing Churn	Moderate	Carriers must participate in state-sponsored customer support training to help manage member transitions

## Certification Approach Example (Cont.)

### **Certification Approach #3:**

***Carriers strongly object to all requirements. To better attract carriers, Exchange works with state to make participation in Public Employee and/or Medicaid MCO program contingent upon participating in Exchange and meeting criteria.***

Goal	Procurement Criteria/Terms
1. Enrollment Growth	Seek to offer at least 6 carriers, including the top five in the market representing at least 90% of NG/SM market
2. Stability / Attracting Carriers initially	Contract for an initially term of 2-3 years, with an option held by the exchange to add add'l carriers after year 2
3. Access	Require carriers to minimally offer in the same regions as currently. For those carriers, willing to expand, preferred placement in web comparison shopping page
4. Delivery System Change	Carriers receive web placement advantage by pursuing one of several reform initiatives recognized by Exchange
5. Reducing Churn	Carriers must participate in state-sponsored customer support training to help manage member transitions
6. Medicaid/DBM Plan Contingency	Participation in Medicaid MCO and/or DBM employees program contingent upon participation in Exchange on meeting criteria

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## Impact of Market Structure on Criteria

*The QHP certification process will unfold in a specific market context, and Exchange goals and criteria will be shaped by factors unique to Maryland.*

### Carrier Market

- Market concentration
- Product offerings
- Existing quality, delivery system initiatives
- Geographic coverage
- Sales channels

### Provider Market

- Market concentration
- MD/System integration
- Quality performance
- Reimbursement levels
- Carrier/Contracting relationships

### Consumer Experience

- Coverage and access
- Buying patterns
- Areas of discontent
- Coverage transitions
- Health needs

### Regulation

- Existing coverage programs
- Insurance regulations
- Provider/Reimbursement regulations
- ACA implementation
- Rate review

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## Continue Discussion of Goals/Priorities

- Prioritizing Goals
- Specific vs. General Criteria
- Preserving Option for Selectivity
- Level of Selectivity
- Level of Standardization

## Next Steps

Meeting Date	Discussion Topics
October 3, 2011	<ul style="list-style-type: none"> <li>• Role and Opportunities of the Exchange</li> <li>• Concepts for Discussing Procurement Options</li> <li>• Identify and discuss procurement goals for the Exchange</li> </ul>
October 12, 2011	<ul style="list-style-type: none"> <li>• Discuss how preferred goals map to procurement strategies</li> <li>• Introduce and discuss procurement approach examples</li> <li>• Introduce how market context can shape strategy</li> </ul>
October 25, 2011	<ul style="list-style-type: none"> <li>• Discuss interaction between market environment and exchange goals in shaping options for procurement approach</li> <li>• Discuss refined procurement approach based on committee feedback from 10/12/11</li> </ul>
November 2, 2011	<ul style="list-style-type: none"> <li>• Discuss key elements of initial draft report and receive committee feedback</li> </ul>
November 7, 2011	<ul style="list-style-type: none"> <li>• Deliver Final Vendor Report</li> </ul>



## Contact Information

[www.wakely.com](http://www.wakely.com)

Patrick Holland  
[patrickh@wakely.com](mailto:patrickh@wakely.com)  
617 939 2002

James Woolman  
[jamesw@wakely.com](mailto:jamesw@wakely.com)  
617 460 1093